

Record revenues in 2022 of \$27.7 million, Valeo Pharma investment in commercial infrastructure starts to pay off

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What a difference a year makes. Last year at this time we were heading into wave something or other of COVID, lockdowns and travel restrictions were still in place and people everywhere were getting pretty sick and tired of the whole situation. In Canada, we had the added reminder of massive protests in Ottawa and various border crossings. Life in general was not straightforward, nor was it ideal for the average individual. One year later, that seems like a distant memory and life is pretty much back to normal as long as you don't spend too much time following global politics.

You may be wondering why I'm doing this look back? Because almost exactly one year ago was the last time I had [a look at today's company](#).

Not only has the world changed considerably in the last 12 months, so has [Valeo Pharma Inc.](#) (TSX: VPH | OTCQB: VPHIF). Valeo Pharma is a fast growing pharmaceutical company dedicated to the commercialization of innovative prescription products in Canada with a focus on Respiratory/Allergy, Ophthalmology and Hospital Specialty Products. Headquartered in Kirkland, Quebec Valeo Pharma has all the necessary capabilities and a complete infrastructure to register and manage its growing product portfolio through all stages of commercialization.

On Monday, Valeo [released its Fiscal 2022 results](#) (for the year ended October 31, 2022) that included some pretty impressive growth in revenue and adjusted gross profit. But before we dig into the numbers here are a few key highlights from the last 12 months:

- In March 2022, the Company received final approval for the listing of its common shares and warrants on the Toronto Stock Exchange (“TSX”) with an effective trading date of March 29, 2022;
- In July 2022, the Company [entered](#) into a Commercialization and Supply Agreement with Novartis Pharmaceuticals Canada Inc. for the Canadian commercialization by Valeo of two innovative ophthalmic therapies, XIIDRA® and SIMBRINZA® in Canada;
- In July 2022, the Company [entered](#) into a License, Supply, and Commercialization agreement with Kaléo Inc. for the Canadian rights to ALLERJECT, (epinephrine injection, USP) auto-injector for the treatment of serious allergic reactions;
- In July 2022, the Company closed a non-dilutive [US\\$30 million Secured Term Loan](#) from Sagard Healthcare Partners;
- In August 2022, the Company [appointed](#) Kyle Steiger to the role of Senior Vice-President and Chief Commercial Officer and Jean-François Fournier as its new Business Unit Head – Ophthalmology;
- In September 2022, the Company entered into a [Commercial Services Agreement](#) with Veru Inc. for sabizabulin in Canada, a novel dual antiviral and anti-inflammatory agent being targeted for the treatment of hospitalized moderate-severe COVID-19 patients at high risk for acute respiratory distress syndrome (ARDS) and death

Adding numerous commercial assets to Valeo’s product portfolio

had a material impact on the top line as the Company posted record 2022 revenues of C\$27.7 million for the year-ended October 31, 2022 compared to C\$13.6 million for the year-ended October 31, 2021 for a 105% increase. Record adjusted gross profit was C\$9.4 million for the year-ended October 31, 2022 compared to C\$4.5 million for the year-ended October 31, 2021, representing a 109% increase. A lot of this growth came in the Company's fiscal Q4 where record revenues were C\$12.7 million for the quarter ended October 31, 2022 compared to C\$3.4 million for the quarter ended October 31, 2021 representing a 274% increase. The investments Valeo has made during prior years in its corporate and commercial infrastructure is starting to pay off by providing considerable operating leverage which is fueling this growth and paving a path towards profitability.

Valeo now has a total of 14 treatments/therapies in its product portfolio which has the Company anticipating that all its business units will continue to produce strong revenue and margin growth in 2023 as it forecasts delivering record quarterly revenues again in the first quarter of 2023. Annualized revenue run-rate as at the end of FY-22 now exceeds C\$50 million, which represents a significant increase over the FY-22 record revenues of C\$27.9 million.

Over the last year, it appears Valeo Pharma has really hit its stride. As long as the Company can keep growing its top line without continuing to add to the 115 full-time employees, that revenue should start to filter down to the bottom line and make investors happy. With a market cap of C\$50 million, Valeo is currently trading at 1x its annualized revenue run rate.