Valeo Pharma Impresses Again with 210% Quarterly Year-over-Year Revenue Growth

written by InvestorNews | March 20, 2023
Valeo Pharma Inc. (TSX: VPH | OTCQB: VPHIF) ("Valeo") just released their FQ1/2023 earnings results and impressed again.

Below are some of the highlights:

- "*Fifth consecutive quarter of revenue growth at $13.2 million in Q1-23, up 210% over Q1-22*"
- "*Fifth consecutive quarter of adjusted gross profit increase at $4.2 million, up 178% over Q1-22*"
- "*Physicians prescribing Enerzair and Atectura reached 1,583 at the end of Q1-23, representing 39% growth from the prior quarter and a 799% increase year-over-year*"
- "*Total annual Enerzair and Atectura prescriptions reached 34,000 at the end of Q1-23, up 41% sequentially and 1917% year-over-year.*"

Impressive year-on-year ("YoY") growth from Valeo

Just looking at the above results, the company has shown very impressive growth: revenue up **210% YoY**, adjusted gross profit up **178% YoY**, and some stunning stats regarding prescriptions growth with Enerzair and Atectura total prescriptions up **1,817% YoY**.

Of note was Valeo's FQ1/2023 results included a net loss of $6.2 million compared to a net loss of $5.9 million in FQ1/2022. Valeo put this down to "the increase in financial expenses." No

specifics were given so it is hard to comment. Valeo's Senior Vice-President and Chief Financial Officer Luc Mainville stated: "*With tight control over operating expenses, our growing revenues will result in a continued expansion of our gross profit and overall profitability going forward*".

Valeo's CEO Steve Saviuk also expressed good news stating:

> *"Our core innovative products continue to gain market share in their respective therapeutic areas significantly contributing to our revenue and margin growth. Enerzair and Atectura, our asthma therapies, continue their rapid adoption with Enerzair now the leading drug in the fast-growing triple-active asthma market."*

If Valeo can continue its current trajectory of prescriptions growth and revenue growth in 2023, then it looks very likely that positive earnings are just around the corner in 2024.

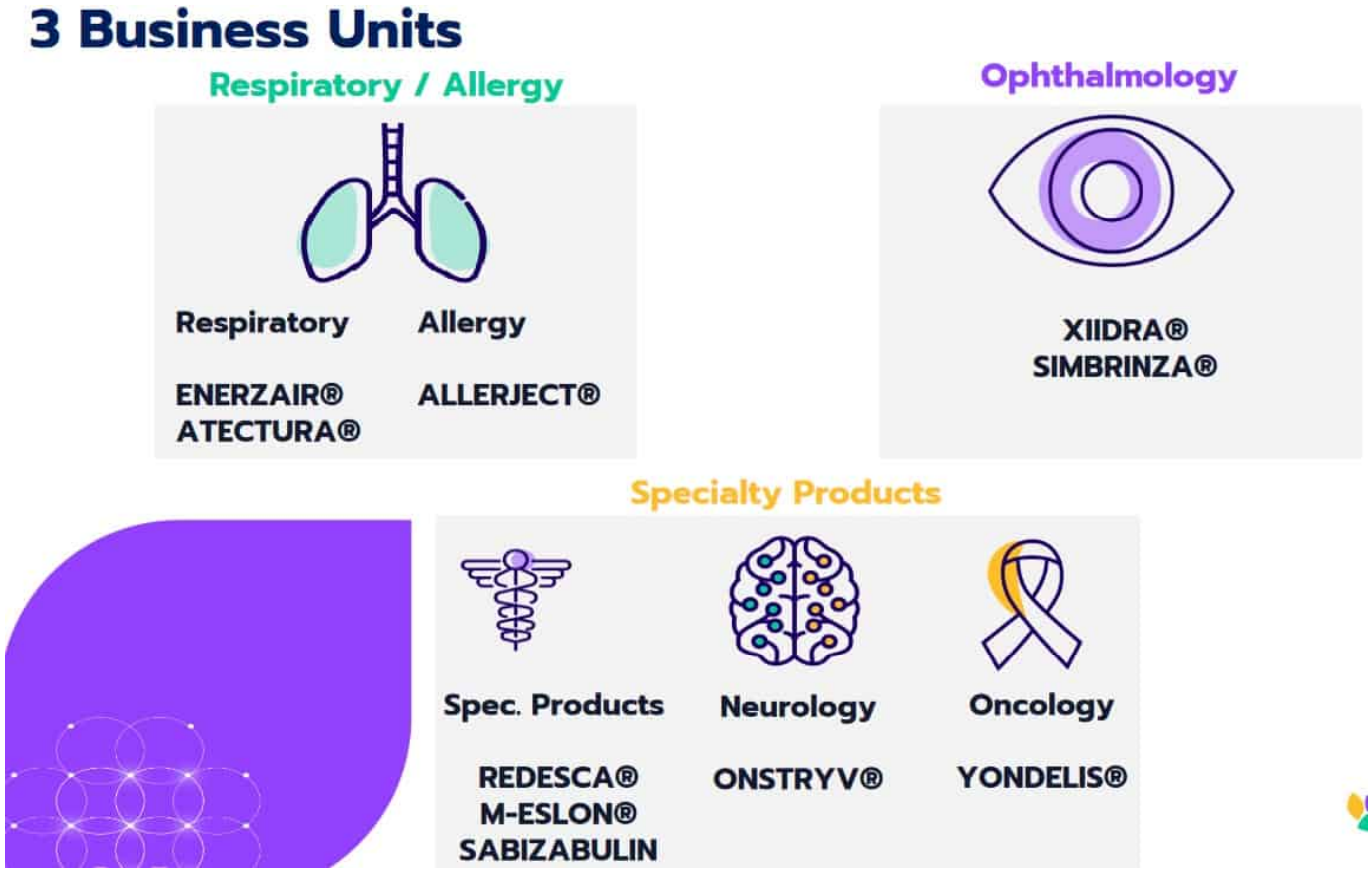
Valeo Pharma company review

As a reminder for investors that may be new to Valeo, the Company is focused on rapidly bringing new specialty pharmaceuticals to market in Canada. Valeo does this by partnering with existing pharmaceutical companies that focus on research & development and manufacturing while Valeo concentrates on the regulatory requirements and the sales and marketing of the pharmaceutical products in Canada.

Valeo's key pharmaceutical product range focuses on ophthalmology, respiratory/allergy, and hospital specialty products. Valeo also has pharmaceuticals in the areas of neurodegenerative disease and oncology (cancer) as well as a recently announced anti-viral and anti-inflammatory agent Sabizabulin being used for COVID-19 (currently under review with

Health Canada).

Valeo Pharma's pharmaceuticals by business unit (includes XIIDRA® for dry eyes, SIMBRINZA® for glaucoma, ALLERJECT® for allergies)



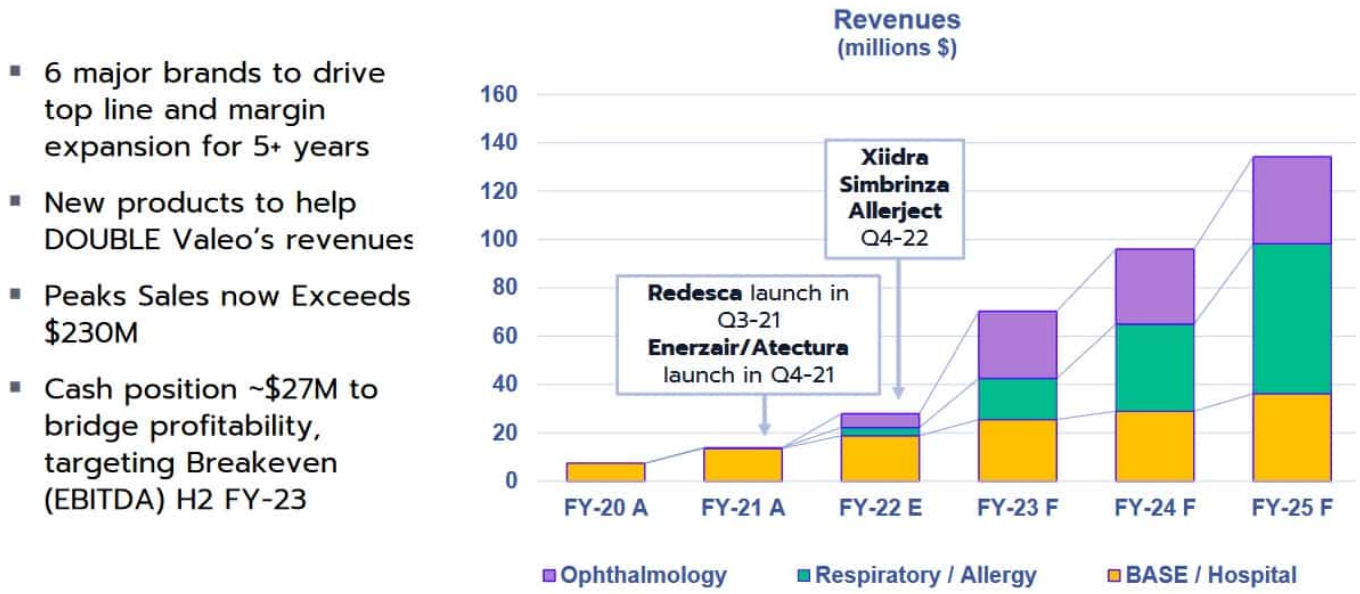
Source: Company presentation

Short-term catalysts

The next steps for Valeo include continual expansion of sales of their existing pharmaceuticals. The recent public reimbursement approval of Valeo's Parkinson's disease drug Onstryv® (safinamide) should also help boost revenues in 2023 and beyond. The potential approval of Sabizabulin by Health Canada in 2023 is another potential catalyst.

Valeo also intends to continue to work on bringing to market further niche pharmaceutical products.

Valeo Pharma's forecast revenue growth to FY2025



Source: Company presentation

Closing remarks

Valeo continues to bring new pharmaceuticals rapidly to the Canadian market. As a result of its success revenue has been rising fast – from C$14 million in F2021, to C$28 million in F2022, and is forecasted to rise to C$63 million in F2023 and C$127 million in F2025. Analysts are forecasting that Valeo will become net income positive in F2024 and achieve C$15 million of net income in F2025.

Valeo Pharma trades on a market cap of C$43 million. One to follow closely in 2023.