

# Valeo Pharma's Redesca™ rollout is progressing rapidly, proving the value of its business model, as its revenue grows 280% in Q3, 2021

written by InvestorNews | October 21, 2021

[Valeo Pharma Inc.](#) (CSE: VPH | OTCQB: VPHIF | FSE: VP2) (“Valeo”) is a specialty pharmaceutical marketing company dedicated to the commercialization of innovative prescription drug products in Canada. Valeo focuses on achieving ‘speed to market’ for their product portfolio, which currently covers the key specific areas of respiratory, neurology, and oncology, as well as specialty products for broader use.

**Valeo Pharma has a growing portfolio of pharmaceutical products**



Source: [Valeo Pharma company presentation](#)

**Redesca™ achieves speed to market and a rapid rollout across Canada**

Valeo's Redesca™ product is a low molecular weight heparin (“LMWH”) biosimilar, and it is starting to make good progress in the marketplace. Valeo [announced](#) on October 3, 2021, that Redesca™ has obtained approved for use listings in 700 hospitals and healthcare facilities across Canada. This followed on from the Redesca™ [launch](#) only 6 months earlier in April 2021 and the April 30 addition of Redesca™ onto the Ontario Drug Benefit Formulary.

Valeo has proven themselves again to be a super fast mover at getting new pharmaceutical products into the market.

Valeo CEO, Steve Saviuk, [stated](#): “These listing agreements significantly expand the number of Canadian hospitals that can now access Redesca. Increased hospital accessibility, coupled with extensive public and private reimbursement coverage, provides a solid foundation to support the continued growth of Redesca....”

### **Valeo Pharma is achieving record revenues (in Canadian dollars) and margins**

As a result of the past several years of work, and the commercialization of Valeo’s 8 pharmaceutical products, Valeo [announced](#) on September 22, 2021 that it had achieved “record revenues and gross margins” in Q3 2021. Highlights included:

- “Record revenues of \$5.7 million compared to \$1.5 million in Q3 2020, **up 280%**
- Record gross margin of \$2.2 million compared to \$0.1 in Q3 2020, **up 1602%**
- Net loss of \$2.9 million compared to \$1.6 in Q3 2020
- Adjusted EBITDA loss of \$0.8 million compared to \$0.7 million in Q3 2020
- Record YTD revenues after 9 months of \$10.2 million, up 94% over the first 9 months of 2020.”

Certainly some very impressive results from Valeo. Looking ahead Valeo suggests that this is just the beginning as it is targeting growing revenues 20x from C\$8 million in 2020 to C\$160 million by 2025.

### **Valeo Pharma targets to grow revenues 20x from 2020 to 2025**



Source: [Valeo Pharma company presentation](#)

## **More about Valeo Pharma**

Valeo's business model is based on forming partnerships with pharmaceutical companies that do the research & development (R&D) and manufacturing, while Valeo concentrates on the regulatory requirements and the sales and marketing.

## **Closing remarks**

Valeo Pharma is delivering on its promises of rapidly commercializing and selling a growing portfolio of pharmaceuticals in Canada. Impressive Q3 revenue growth of 280% YoY and a 1,602% improvement YoY for gross margin speaks volumes towards validating Valeo's strategy working.

Valeo is targeting a massive 20x increase in revenues from 2020 to 2025 and given their performance so far I would not bet against them.

Valeo adds the necessary missing key components, of addressing regulatory hurdles and of post-approval marketing, to the process of bringing new prescription drugs to the Canadian market by companies too small or too specialized to be able to afford these functions in-house.

Valeo Pharma trades on a market cap of [C\\$71 million](#). Don't miss this one.

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# Revenue is forecast to triple, Valeo Pharma has 10 products in their portfolio

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COVID-19 continues to be a huge global problem with global cases now over [112 million](#). Vaccines are a source of hope but just as valuable are treatments that can help infected COVID-19 patients before they become another horrific statistic.

One specialty pharmaceutical company has a potential anti-COVID-19 product currently in the clinical trial phase. That company is [Valeo Pharma Inc.](#) (CSE: VPH | OTCQB: VPHIF | FSE: VP2) ('Valeo').

Valeo has an anti-COVID-19 product currently in a clinical trial known as the Hesperidin Coronavirus Study. Valeo Pharma's Hesperco™ capsules are [Health Canada approved \(for immune support\)](#) and are at the core of Montreal Heart Institute's Hesperidin Coronavirus Clinical Trial. HesperCo™ is Valeo's unique hesperidin formulation. Hesperidin is a flavonoid with powerful antioxidant properties that helps support the immune system, and may potentially help in the fight against COVID-19.

**Valeo Pharma and Ingenew Pharma are trialing their Hesperco™ flavonoid product in the fight against COVID-19**

Valeo [states](#): "Hesperidin interferes/ inhibits 2 key proteins of SARS-CoV-2 necessary for entry and infection of cells, **suggesting that hesperidin may disrupt the replication rate of the virus and enable infected patients to build natural immunity.** Hesperidin's safety profile and immune-modulatory activity make it a highly promising molecule to intervene at

various stages of the COVID-19 infection process.....hesperidin, the medicinal ingredient contained in HESPERCO™ capsules, and its efficacy against other coronavirus strains are well documented in scientific literature....”

Note: Bold emphasis by the author.

‘Inhibiting COVID-19 entry into our cells’ and ‘boosting immunity’. Wow! This could potentially be a game-changer if successful. With the world currently at [112,654,202 confirmed COVID-19 cases](#) and [2,496,749 COVID-19 deaths](#) (as of February 24, 2021), a product that can inhibit COVID-19 while at the same time boosting our immunity would be an incredible breakthrough.

Valeo’s HESPERCO™ development partner is Ingenew Pharma. Ingenew’s President & CEO [stated](#): “Although hesperidin can be found in lower concentration in citrus fruits or some natural health products, a much higher hesperidin concentration, such as the one found in Hesperco™, is required to achieve therapeutic benefits...With its well-documented anti-inflammatory and anti-oxidant activity, hesperidin may also provide further protection to the infected subjects by reducing the COVID-19-induced cytokine storm (severe inflammatory response) observed in severe cases.”

**Valeo Pharma is focusing on specialty products to fight neurodegenerative diseases, cancers, pain, and maybe COVID-19**

### **About Valeo Pharma Inc.**

Valeo’s business plan is to become a leading Canadian-focused specialty pharmaceutical company and be the partner of choice for international companies wishing to enter the Canadian market. Valeo’s focus is mostly on specialty areas such as neurodegenerative diseases (MS, Parkinson’s, and Schizophrenia), oncology (cancer) and supportive care/pain management, and

hospital specialty products.

Valeo partners with pharmaceutical companies that have expertise in research & development and manufacturing while Valeo concentrates on the regulatory requirements to get a drug approved in Canada and then focuses on marketing the product. Valeo [state](#): “Our focus is getting the product on the market, and we have all the capabilities in-house to register and commercialize innovative pharmaceuticals in Canada.”

Valeo currently has [10 products in their portfolio](#) with another 3 in the pipeline.

Valeo’s [revenue is forecast to triple](#) from FY2020 revenue of C\$8.0 million to a forecast FY2021 revenue of C\$24.0 million.

### **Closing remarks**

Valeo Pharma Inc. trades on a market cap of C\$68 million which seems rather small when we look at much larger pharmaceutical companies such as Pfizer Inc. on a market cap of US\$188 billion. Sure they are not comparable companies in terms of current products, revenues etc; but it does highlight the potential size to which the most successful pharmaceutical companies can grow. If we compare to the successful natural vitamin companies such as Blackmores, it trades on a market cap of A\$1.53 billion.

Valeo’s strategy to partner with other product developers means they can reduce R&D expenses, time to market, and focus on marketing & sales. This is a quicker and smarter way to achieve revenues. Valeo’s stock is up [128%](#) over the past year so it certainly looks like their strategy is working.

- [Valeo Pharma’s Steve Saviuk on Hesperidin and reducing the risk of securing COVID-19 \(video\)](#)