

Iconovo sets ambitious financial targets for 2026

Iconovo AB (publ), which develops complete inhalation products for a global market, today announces its five-year goals for the business. By 2026, the company expects to achieve sales of SEK 200 million. The target for operating profit is SEK 100 million, corresponding to an operating margin of 50%.

The expectations reflect current publicly announced projects in Iconovo's project portfolio and the company's goal to bring in up to 3 new projects per year. For future projects that currently are undefined only expected milestone payments are included.

Iconovo expects to have about 50 employees in five years with ten projects in development and five launched inhalation projects that generate royalties.

There are two potential business upsides: royalty revenue from the area of innovative inhalation projects of up to SEK 100 million and royalty revenue from generic Symbicort® in the US of up to SEK 70 million.

"Iconovo is a company with high ambitions. Now that we have increased the number of innovative projects in our pipeline in a short period of time and are getting closer and closer to launch, we think it is important to communicate financial goals", says Iconovo's CEO Johan Wäborg.

Turnover and operating profit

Iconovo expects to achieve a turnover of SEK 200 million by 2026. The revenues consist of ongoing revenues from the development work as well as royalty revenues from five launched products - Symbicort, Ultibro, Seebri, Relvar and the undisclosed product developed in collaboration with Intas. Approximately 1/3 of the turnover is estimated to come from Iconovo's pharmaceutical sales in the Nordics through Iconovo Pharma.

The potential royalty revenue from innovative inhalation products and royalty revenue from Amneal's potential sales in the US is not included in the sales target but is described as potential upsides.

The target for the operating margin in 2026 is to achieve 50% and thereby an operating profit of SEK 100 million. The high margin can be achieved through royalty streams as well as a good margin from Nordic pharmaceutical sales.

Development of the business

Iconovo sets a goal to generate up to three new customer agreements per year. The focus will be on finding a good mix of agreements within Iconovo's three strategic areas that lead to diversification of both opportunities and risk in the portfolio.

In 2026, Iconovo will be an established organization with approximately 50 employees. The target for new projects going forward and today's project portfolio is estimated to result in ten projects being in development and five generic inhalation products being launched. Of the products launched, the intention is that the majority will be sold in the Nordic region by Iconovo Pharma.

Three strategic areas

Revenue in 2026 come from three strategic areas within Iconovo: development of generic inhalation products, development of innovative inhalation products and own sales of generic inhalation products in the Nordic region.

Iconovo Pharma – sales of generic inhalation products in the Nordics

On May 17, Iconovo announced that the agreement with Amneal would be expanded to include more territories including the United States and China. As part of the agreement, Iconovo also acquired the rights to sell generic ICORES Symbicort in the Nordic countries. In 2020, the Nordic market for Symbicort was valued to SEK 800 million. The price erosion in the region is low and stable and in recent years around 4% per year. Iconovo estimates that the company can reach a market share of 15-20% and can then realize revenue of between SEK 80 and 100 million annually when full market potential is reached.

In 2026, Iconovo Pharma is expected to account for approximately 1/3 of the turnover.

Innovative inhalation products

Projects in the space of innovative inhalation products have a lower probability of success to reach the market and takes longer to develop. Therefore, royalty income from this strategic area has been defined as an upside for 2026. One innovative inhalation project that may reach launch within the five-year period is the development of inhaled COVID-19 vaccine in ICOone together with ISR. A Phase I study is scheduled to begin in the second half of 2021. If the project is successful and maintains an accelerated timeline, it can help making Iconovo a profitable company earlier. The potential upside for a successful project with ISR is estimated to have a revenue of up to SEK 100 million by 2026.

Generic inhalation products

Iconovo estimates that royalty revenues from generic inhalation products will account for 2/3 of sales in 2026. Royalty revenues will come from five launched products that Iconovo develops today. The majority of the royalty revenue in five years time will come from our generic Symbicort in ICORES sold by Amneal.

Amneal has expanded its contract for generic Symbicort in ICORES to include approximately 90% of the global market where approximately 1/3 consists of sales in the USA. Since the decision by Amneal to launch in the US will be based on a number of future events both in the US market and in Europe, Iconovo chooses to see the US as an upside that could reach a revenue of SEK 70 million in 2026.

Risks over the five-year period

Iconovo views the largest risks of not meeting the 2026 target linked to project failure, delays, a more challenging competitive situation or that the products are launched in a smaller territory than expected. Although the risk of generic products failing is less, it happens, and uncertain price developments in different markets can cause our generic products to be launched in fewer countries than expected. Iconovo considers the market size to be relatively stable and therefore the largest uncertainty is linked to how widely the products are launched.

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About Iconovo

Iconovo was founded in 2013 by people with long experience in inhalation development. The company develops inhalers and associated drug preparations that are used to treat asthma and COPD. However, Iconovo also has the competence to develop products for new types of inhaled drugs such as vaccines.

By working with Iconovo, pharmaceutical companies and generic companies can access a complete pharmaceutical product, thereby eliminating the complex and costly early stages of the development phase. Iconovo licenses its patented products to customers and offers a faster way to the inhalation market with lower risk and at a lower cost.

More information about the company can be found at www.iconovo.se.

Iconovo is based in Lund and its share (ticker ICO) is listed on Nasdaq First North Growth Market, Stockholm since April 6, 2018. The Company's Certified Adviser is Erik Penser Bank AB, Box 7405, SE-103 91 Stockholm, phone +46 8 463 80 00, email: certifiedadviser@penser.se.

This information is information that Iconovo is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-05-21 08:13 CEST.

Attachments

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