

Open Orphan PLC

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Open Orphan primed for profitability after transformational year

Open Orphan PLC (LON:ORPH) said it was targeting operational profitability by the third quarter of the year following its merger with hVIVO.

The enlarged business, which provides outsourced services for the life sciences industry, said it was also expecting to remove a further €2.5m in costs in the second half of the year.

In an update alongside its full-year results, Open Orphan talked of "unprecedented growth opportunities as pharma focuses funding on Covid-19 and respiratory diseases".

This, it said, had led to the development of a strong pipeline of opportunities, for challenge studies along with the wider contract research services offered by the group.

Certainly, the company has been extremely busy in the first six months of the year as hVIVO has launched a "best-in-class" coronavirus testing service and its Venn Life Sciences arm landed a major contract with a vaccine developer.

The aforementioned pipeline of opportunities, meanwhile, includes two significant human challenge studies generating significant near-term revenue, and expansion of lab services. Venn's traditional pharma consulting business "continues to perform well", investors were told.

The results for the year ended December 31 revealed the enlarged Open Orphan would have generated revenues of €27.1m and an operating loss of €14.2m.

After raising almost €20m since the start of the year, Open Orphan is funded to "complete its transition and leverage a broader service offering to an enlarged and combined customer base".

"The merger with hVIVO, post period end, has given us a full-service business, with world-class facilities, motivated colleagues and a strong pipeline of work and transforms our business into the world leader in the testing of vaccines and anti-virals through human challenge model clinical trials," said chairman Cathal Friel.

In the results statement, the firm said a strategic review was underway to monetise its 49% holding of Imutex and "other non-core investments" such as the 62.5% stake in PrEP Biopharm.

Price: 28.8

Market Cap: £192.79 m

1 Year Share Price Graph



February 2020 August 2020 February 2021

Share Information

Code: ORPH

Listing: AIM

52 week High Low
33 4.72

Sector: Pharma & Biotech

Website: www.openorphan.com

Company Synopsis:

Open Orphan is a rapidly growing specialist CRO pharmaceutical services company which is a world leader in the testing of vaccines and antivirals through the use of human challenge clinical trials. It has Europe's only 24-bedroom quarantine clinic with onsite virology lab in Queen Mary's Hospital London.

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