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Santhera Pharmaceuticals

Healthcare

18 August 2026

Break-even in sight as AGAMREE scales

Santhera is approaching a defining inflection point as it targets cash flow break-even in Q326, completing its transition into a self-funded rare disease company. The investment case rests on AGAMREE, the first dissociative corticosteroid approved for Duchenne muscular dystrophy (DMD), which has achieved strong early uptake, capturing c 40% and c 50% of corticosteroid-treated DMD patients in Germany and Austria, respectively, with UK adoption tracking Germany's early launch trajectory. We view this as compelling validation of AGAMREE's differentiated profile versus conventional corticosteroids. Planned launches in Spain and Italy during H226 should provide the next growth catalyst. Combined with a capital-efficient hybrid model that pairs direct commercialisation in Europe with regional licensing elsewhere, Santhera is well positioned to deliver FY26 revenue guidance of CHF80–90m and its €150m 2028 revenue ambition, validating the scalability of its business model.

Differentiated product targets an established market

Unlike conventional corticosteroids, AGAMREE is designed to preserve anti-inflammatory efficacy while reducing chronic steroid-related adverse effects, a key consideration in a disease requiring lifelong treatment. Long-term clinical data demonstrating c 80% fewer vertebral fractures than deflazacort further strengthen its differentiated profile. We believe this supports continued market share gains as physician familiarity and reimbursement broaden across target markets.

Hybrid strategy supports profitable growth

Santhera's commercial strategy combines direct sales across Europe with regional licensing partnerships including Catalyst (North America), Sperogenix (China) and Nxera (Japan and Asia-Pacific). This enables the company to retain the full economics of its core European markets while benefiting from partner-funded expansion, milestone payments and royalty income internationally. We view this as a balanced approach that maximises long-term value while limiting commercial execution risk and capital requirements. The planned launches in Spain and Italy during H226 should provide the next leg of European growth.

Valuation: Break-even should validate the model

FY25 revenue increased 97% y-o-y to CHF77.2m, comfortably ahead of guidance, and management expects CHF80–90m in FY26 while maintaining its target of cash flow break-even in Q326 without further financing (supported by the US$40m upfront from the January 2026 Nxera licensing agreement). We see clear re-rating triggers in confirmation of the Q326 break-even, the Spanish and Italian launches, and continued partner-driven milestone and royalty income.

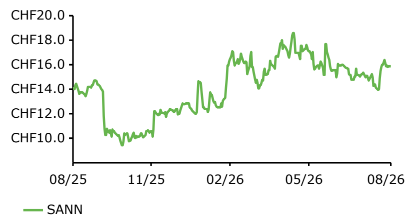
Historical financials

Year end	Revenue (CHFm)	PBT (CHFm)	EPS (CHF)	DPS (CHF)	P/E (x)	Yield (%)
12/24	39.1	(41.7)	(3.69)	0.00	N/A	N/A
12/25	77.2	(49.1)	(3.78)	0.00	N/A	N/A

Source: Company documents

Price	CHF15.90
Market cap	CHF252m

Share price performance



Share details

Code	SANN
Listing	SWX
Shares in issue	15.9m
Pro forma net cash (including upfront payment from Nxera Pharma)	CHF40.5m

Business description

Santhera Pharmaceuticals is a Swiss specialty pharmaceutical company focused on the development and commercialisation of therapies for rare diseases with high unmet medical need. Its lead product, AGAMREE (vamorolone), is an approved treatment for Duchenne muscular dystrophy and is being rolled out globally through a combination of direct commercialisation and strategic licensing partnerships.

Bull points

- Rapid AGAMREE uptake provides early validation.
- Cash flow break-even in Q326 with no further funding required.
- Hybrid model supports capital-efficient path to profitable growth.

Bear points

- Single-product focus heightens commercial execution risk.
- International growth contingent on partner execution.
- Market access remains reimbursement dependent.

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