

Basilea Pharmaceutica

Licensing update

New acquisition bolsters antibacterial franchise

Healthcare

Basilea Pharmaceutica has strengthened its antibacterial pipeline with the [acquisition](#) of global rights to the novel, orally administered, Phase-III ready asset, ceftibuten-ledaborbactam etzadroxil. The drug, licensed from Venatorx Pharmaceuticals, is a combination of an oral beta-lactam (cephalosporin) and a beta-lactamase inhibitor (a prodrug of ledaborbactam), aiming to target complicated urinary tract infections (cUTI), including pyelonephritis, caused by multidrug-resistant *Enterobacteriales*. Basilea intends to launch a registrational Phase III programme in c 18 months and expects c CHF15m in incremental R&D spend in FY25 (including an upfront payment and pre-commercial milestones). The deal also includes tiered mid-single-digit royalties and up to US\$325m in additional commercial milestones to Venatorx. We are encouraged by the deal and believe an oral and potentially outpatient asset (following intial hospital treatment) broadens the scope of Basilea's otherwise hospital-focused antibacterial franchise. We will provide updated estimates following the H125 results on 19 August.

Year end	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHF)	DPS (CHF)	EV/EBITDA (x)	P/E (x)
12/23	157.6	20.8	10.8	0.90	0.00	31.7	57.7
12/24	208.5	62.9	60.6	6.44	0.00	10.5	8.0
12/25e	219.4	63.4	63.1	4.70	0.00	10.4	11.0
12/26e	260.0	75.7	76.4	5.69	0.00	8.7	9.1

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Pipeline replenishment is a key focus for Basilea, given the approaching maturity of lead asset Cresemba (in late 2027), and we believe this acquisition balances and meaningfully bolsters its late-stage development portfolio with the addition of an advanced-stage oral antibacterial. The other antibacterial assets in Basilea's portfolio are Zevtera (recently launched in the US) and BAL2420 (preclinical stage).

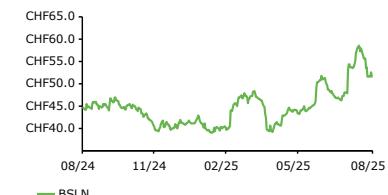
Ceftibuten-ledaborbactam etzadroxil has demonstrated encouraging results in preclinical and early-clinical studies (Phase I) with preclinical (both in-vitro and in-vivo) data showing activity against strains of multidrug-resistant *Enterobacteriales*, including those expressing extended-spectrum beta-lactamases and the carbapenemases OXA-48 and KPC, enzymes which confer resistance to antibiotic treatment. [Phase I](#) results confirmed a strong safety and tolerability profile, as well as oral bioavailability commensurate with identified efficacy exposure targets. We also note that the drug benefits from the fast track and qualified infectious drug product designations, potentially accelerating regulatory review and granting up to 10 years of market exclusivity in the US, post approval. We believe the drug's oral administration, combined with activity against multidrug-resistant, gram-negative bacteria positions it favourably as an outpatient or step-down treatment in cUTIs, a market expected to be worth [US\\$3bn](#) by 2035 (>600,000 hospital admissions annually in the US alone).

The deal economics include an upfront payment, pre-commercial milestones, and tiered mid-single-digit royalties, with additional commercial milestone payments of up to US\$325m. The deal will result in c CHF15m in additional R&D expenses to be recognised in FY25 (updated guidance to be provided with the H125 results on 19 August). A registrational Phase III trial is planned to commence in the next 18 months (H127). We maintain our estimates pending release of the H125 results.

15 August 2025

Price	CHF51.70
Market cap	CHF688m
	0.81CHF/\$
Net cash/(debt) at 31 December 2024	CHF28.6m
Shares in issue	13.3m
Code	BSLN
Primary exchange	SWX
Secondary exchange	N/A

Share price performance



Business description

Basilea Pharmaceutica is focused on treating infectious diseases. Its marketed products are Cresemba (an antifungal) and Zevtera (an anti-MRSA broad-spectrum antibiotic). It also has a broad development pipeline which includes two antifungals - the Phase III novel broad-spectrum treatment fosmanogepix (two Phase III trials ongoing) and Phase II asset BAL2062, and two antibacterials - the preclinical LptA inhibitor BAL2420 and the recently acquired Phase-III ready combination treatment, ceftibuten-ledaborbactam etzadroxil.

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