

Basilea Pharmaceutica

Cresemba IV formulation approved in China

Drug approval update

Pharma & biotech

24 June 2022

Price CHF35.9
Market cap CHF467m

Net debt (CHFm) at 31 December 2021	69.3
Shares in issue (excludes 1.1m Treasury shares)	11.8m
Free float	90%
Code	BSLN
Primary exchange	SIX
Secondary exchange	N/A

Share price performance



Business description

Basilea is focused on infectious diseases and oncology. Its marketed products are Cresemba (an antifungal) and Zevtera (an anti-MRSA broadspectrum antibiotic). The oncology R&D pipeline consists of three assets including clinical-stage products lisavanbulin and derazantinib.

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Basilea Pharmaceutica is a research client of Edison Investment Research Limited

Basilea has announced the approval in China of the intravenous (IV) formulation of Cresemba, the company's antifungal drug, for treating adult patients with invasive aspergillosis and invasive mucormycosis. The oral formulation of Cresemba is already approved in China where it is marketed by Basilea's licence partner in the region, Pfizer. We see [approval of the IV formulation](#) as a positive development for Basilea; in 2021 China accounted for 19% of the global antifungal drug market, second only to the United States. However, we continue to see inclusion of Cresemba on the National Reimbursement Drug List (NRDL) in China as key to unlocking the full value of the Chinese market. We expect Basilea to benefit from the considerable experience of Pfizer in navigating the NRDL inclusion process for Cresemba. We continue to value Basilea Pharmaceutica at CHF847.7m or CHF71.6/share.

Year end	Revenue (CHFm)	PBT* (CHFm)	EPS* (c)	DPS (c)	DPS (%)	Yield (%)
12/20	127.6	(29.6)	(288.5)	0.0	N/A	N/A
12/21	148.1	(6.6)	(56.9)	0.0	N/A	N/A
12/22e	109.5	(30.1)	(254.1)	0.0	N/A	N/A
12/23e	128.1	14.0	161.1	0.0	N/A	N/A

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

Cresemba (isavuconazole) is a broad-spectrum antifungal for treating severe, life-threatening fungal infections. The invasive fungal infection market remains an area of unmet medical need, driven by the rise of underlying predisposition conditions, such as chronic obstructive pulmonary disease, cystic fibrosis and AIDS. We note that Cresemba has reported fewer statistically significant drug-related adverse events and treatment-emergent adverse events versus market-leading antifungals (see [Phase III SECURE](#) study).

A drug's inclusion on the Chinese NRDL is based on the assessment of multiple factors including clinical necessity (eg unmet need), clinical effectiveness, safety and pricing. Inclusion can have a significant positive impact on market penetration. As Cresemba has only recently been approved in China, the company has not reported region-specific sales data. We will adjust our geographic peak sales split accordingly as the first sales figures in China begin to crystallise. We note that [Basilea recently received a milestone payment of US\\$1.25m](#) from Pfizer related to sales in the Asia-Pacific region.

Our [recent outlook](#) details our valuation method and our rNPV model suggests a value for Basilea Pharmaceutica of CHF847.7m or CHF71.6/share.

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