

Basilea Pharmaceutica

Spring into a new strategy

Company newsflow

Pharma & biotech

28 April 2022

Price CHF33.65

Market cap CHF435m

Net debt (CHFm) at 31 December 2021 69.3

Shares in issue 11.8m
(excludes 1.1m treasury shares)

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 broad-spectrum antibiotic). The oncology R&D pipeline consists of three assets including clinical-stage products lisavanbulin and derazantinib.

Analysts

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Basilea Pharmaceutica has announced that it will in-license a pre-clinical programme of novel broad spectrum anti-fungals targeting difficult-to-treat mould infections. Although the financial implications are limited, this is the first step in management's plans announced in February to strategically refocus on its core anti-infective business while exploring strategic options for its oncology assets.

Year end	Revenue (CHFm)	PBT* (CHFm)	EPS* (CHF c)	DPS (CHF c)	P/E (x)	Yield (%)
12/19	134.4	(22.4)	(207.5)	0.0	N/A	N/A
12/20	127.6	(29.6)	(288.5)	0.0	N/A	N/A
12/21	148.1	(6.61)	(56.9)	0.0	N/A	N/A

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

Basilea announced a new global and exclusive in-licensing deal with US-based Fox Chase Chemical Diversity Center. This arrangement is for a preclinical programme of novel broad-spectrum antifungals with activity against difficult-to-treat mould infections. No financial details were disclosed and FY22e financial guidance remains unchanged.

We view the deal to be consistent with the new strategy presented by management to focus on building a new pipeline in the anti-infectives space to bolster its foothold with Cresemba and Zevtera. Further, we see Basilea continuing this path with more in-licensing activity focused on difficult-to treat infections. This strategy is, in our view, supported by a large unmet need to treat serious infections combined with the increasing rise of antibiotic resistance. In turn, this has spurred a renewed industry interest.

With increasing levels of antibiotic resistance (eg MRSA), we have seen a renewed industry focus on anti-infectives with several competitor candidates in clinical trials (Phase II) including: Afabicin (Debiopharm) in anti-bacterial skin and skin structure infections, Brilacidin (Innovation Pharmaceuticals) in MRSA infections and Olorofim (F2G) for invasive aspergillosis, coccidioidomycosis and invasive moulds.

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