

Circassia's fall from grace might be complete



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Circassia's bid to break into the US respiratory market, by licensing Tudorza Pressair and Duaklir from AstraZeneca in 2017, has come to an ignominious end with the deal being scrapped today. Smart investors will have seen the writing on the wall some time ago, when the deal's terms had threatened to put Circassia out of business by calling for milestone and other obligations that the group could not pay. It was only thanks to Astra agreeing to swap these for a \$143.3m loan that Circassia was able to keep trading ([Circassia averts its cash crunch, May 1, 2019](#)). Less than a year later [these obligations have been unwound](#), with Tudorza Pressair and Duaklir reverting to Astra and the entirety of the loan plus accrued interest (\$149.9m) being written off. The 30% rise in Circassia's shares today shows how lightly the company is getting off; had Astra been in a less generous mood it might not have agreed to such an easy get-out. Having failed first in cat allergies and now in respiratory disease, Circassia moves to its third incarnation, as a diagnostic player focusing on measuring airway inflammation in asthma.

Out of puff? Forecast US sales of respiratory assets handed back to AstraZeneca

Product	2019e	2020e	2021e	2022e	2023e	2024e
Tudorza Pressair	29	34	39	42	53	65
Duaklir	1	11	23	53	76	89

Source: EvaluatePharma sellside consensus.

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