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Novartis’s renaissance gets off to a false start

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Leqvio’s launch remains sluggish and tislelizumab looks even more like a dead end in the US.

Only a month ago Novartis was touting the projects that it hopes will get it out of its current predicament. However, the group’s latest earnings contained several disappointments for those hoping that the company might be about to turn the corner.

The expected ramp-up in Leqvio sales has yet to emerge, and Novartis does not expect any meaningful acceleration until the middle of next year. Meanwhile, there have been more setbacks for tislelizumab in the US and for the anti-CD40 project iscalimab.

Leqvio is one of the eight core products that Novartis highlighted at its R&D day in September, with the group ultimately hoping that the PCSK9 inhibitor can become a mega-blockbuster. Although it is relatively early days, with the drug launched in January, it sold just $34m in the third quarter, well below Jefferies’ prediction of $60m.

Notably, this was the first quarter in which Leqvio had a permanent J-code, which is used for Medicare billing. Despite this development, Novartis’s chief executive, Vas Narasimhan, cautioned that things would likely remain slow and steady for some time, though he still expects the long-acting cholesterol-lowering product to reach blockbuster status before the readout of its cardiovascular outcomes study.

Tislelizumab trimmed again

Meanwhile, investors might be wondering if tislelizumab, the PD-1 inhibitor that Novartis licensed from Beigene, will ever get US approval.

For one, the group today disclosed that it had cancelled plans for an FDA filing in nasopharyngeal cancer; this had emerged as an important indication following the previous delay in tislelizumab’s lead use, second-line oesophageal squamous cell carcinoma (*No plain sailing for Novartis’s PD-1 plan, July 19, 2022*).

Secondly, Novartis has formally abandoned non-small cell lung cancer in the US, although the writing was probably on the wall here after the company backed away from second-line monotherapy use.

Given the FDA’s stance on China-only data, it is notable that first-line NSCLC studies – on which an EU filing was based – were carried out in Beigene’s home country. Could Novartis’s US plans in small-cell lung cancer also be affected, given that this indication is supported by the Chinese Rationale-312 study?

As for oesophageal cancer, Novartis hopes for an FDA decision this half. Beigene previously said the agency had been unable to carry out Chinese facility inspections owing to Covid-related travel restrictions, meaning that a July Pdufa date was missed.

Discontinuations

Novartis also slipped out the failure of iscalimab and its subsequent discontinuation in liver transplant. That project previously flunked a kidney transplant study, but is still being evaluated for various uses including Sjögren's syndrome, hidradenitis suppurativa and lupus nephritis (*Novartis pushes on with iscalimab after transplant disappointment, September 6, 2021*). Hopes will now be even lower.

In addition, Novartis terminated a mid-stage presbyopia project, UNR844, after a mid-stage flop.

Neither iscalimab nor UNR844 were big pipeline hopes. However, one of Novartis's key projects, remibrutinib, has run into problems in one of its indications, multiple sclerosis. Novartis cited the "geopolitical situation" for a delay in recruitment in the phase 3 Remodel-1 and Remodel-2; readout is now expected in 2026 or later, from 2025.

Development in remibrutinib's lead indication, chronic spontaneous urticaria, appears to be unaffected.

Novartis did have some good news yesterday, with the success of another key asset, iptacopan, in paroxysmal nocturnal haemoglobinuria. Still, today's developments will have only heaped yet more pressure on this complement factor B inhibitor.