

AstraZeneca pips Actelion to ZS Pharma



[Elizabeth Cairns](#)

Tough luck, Actelion. Despite Actelion making overtures to ZS Pharma a couple of months ago the California group has fallen to AstraZeneca, which presumably outbid the Swiss company with an offer of \$2.7bn in cash.

AstraZeneca thus scoops up the hyperkalaemia candidate ZS-9, which is forecast to become a near-blockbuster by 2020, according to *EvaluatePharma's* consensus data, and which Astra says complements its interest in chronic kidney disease and heart failure. Actelion's attention, meanwhile, might well be drifting towards the other neatly acquirable hyperkalaemia-focused group: Relypsa.

The purchase price of \$90 a share is a 42% premium to the closing price yesterday. But Astra says the acquisition will not affect its financial guidance for this year, and the deal will become accretive to core earnings from 2018.

To buy or not to buy

Astra claims that ZS-9 is a potential best-in-class treatment for hyperkalaemia. Certainly it is forecast to take over from Astellas's Argamate as market leader a year or so after its launch in 2016.

Before news of the takeover broke, analysts were expecting ZS to take on a partner, which would receive around 20% of its total sales; Astra can now expect both shares, putting 2020 revenues for the potassium binder at around \$993m.

The next biggest hyperkalaemia drug is forecast to be Relypsa's Veltassa, though this is expected to be some way behind ZS-9 in terms of 2020 sales, largely thanks to a black box warning of drug-drug interactions ([Up is down for Relypsa and Merrimack, October 23, 2015](#)).

The hyperkalaemia pipeline								
	Global sales (\$m)							
Project	2013	2014	2015	2016	2017	2018	2019	2020
ZS-9 (AstraZeneca)				52	191	400	702	993
Veltassa (Relypsa)				29	81	152	248	359
Argamate (Astellas)	61	54	51	56	57	58	59	58
RDX022 (Ardelyx)						8	17	26
Other	23	16	19	19	20	20	20	21

Still, if Actelion is determined to get a toehold in this area Relypsa remains the obvious choice, a fact underlined by the 5% jump in its shares today. Relypsa would be cheaper; at \$781m its market cap is around half that of ZS Pharma.

But when Actelion sounded out ZS back in September there were questions over whether a takeover would present a true strategic fit or simply a case of trying to buy in a promising-looking company ([Hyperkalaemia comes into play for Actelion, September 11, 2015](#)).

If its bid for ZS was motivated by the chance of owning a hyperkalaemia therapy, Actelion might rebound to Relypsa.

If, however, Actelion simply wants to acquire a decent-looking company as a way of putting its cash to good use and fending off predators of its own, Relypsa would probably not be its first choice.

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