

## Astra bets on respiratory with Daliresp deal



[Jonathan Gardner](#)

AstraZeneca's targeted dealmaking has now completed nearly full ownership of the respiratory drug Daliresp. Takeda sold its ex-US rights to the chronic obstructive pulmonary disease pill along with two other drugs for \$575m, allowing the UK group to beef up a respiratory division losing market share with Symbicort's patent expiry.

Under Pascal Soriot, Astra has been as much a seller as a buyer as the group looks for ways out of a near-term research & development hole with some immediate earners. Daliresp's disappointing record so far might not lend much confidence to this decision, but perhaps in the hands of a focused respiratory sales force more revenues can be generated.

It was telling that Astra's dealmakers at the same time were keeping an eye on the long term, as today they also signed an agreement with WuXi AppTec to produce next-generation biologicals, an extension of an existing partnership to commercialise MEDI5117. Astra said it would have an option to buy WuXi's manufacturing facility after investing \$100m, and would spend another \$50m on a small-molecule development plant.

### Big bet

The Soriot-led Astra has made its name on a host of small and medium-sized deals, not all of them in-licensing or acquisitions, in a quest to get rid of products that do not fit and bring on ones that might play to its strengths ([Astra gives as well as taking away](#), November 24, 2015). Consolidating global rights to Daliresp fits with this strategy.

Astra had taken over US Daliresp rights from Allergan for \$600m up front earlier this year, and the Takeda transaction announced today gives it all territories except South Korea and Spain. The combined \$1.2bn bet Astra has made is a risky one on a product set to lose patent protection in 2020; based on sellside consensus the net present value is just \$448m, according to *EvaluatePharma*.

That modest outlook is the result of Daliresp having fallen short of expectations since launch. As the first oral medication and PDE4 inhibitor in COPD, it was reckoned to have a shot at clearing a half-billion dollars in sales, but today's consensus puts it at just \$224m in 2020.

That dimming outlook in part was the consequence of the US rejection of Daliresp in a disease maintenance setting, with the FDA agreeing to authorise it only to reduce the risk of exacerbations in patients with chronic bronchitis and a history of those disease episodes.

Neither does it help that as an asset it has been tossed around. In the US it was owned by Forest Laboratories, which was swallowed up by Actavis, which in turn bought Allergan, meaning that it could easily have fallen through the cracks as various companies absorbed big deals.

Takeda's acquisition of Daliresp when it bought Nycomed – a transaction more aimed at capturing that company's emerging markets presence – might not have helped, at least in the international markets. Takeda is not a big presence in respiratory disease, having less than 1% of its sales in this category.

Given Astra's larger presence in respiratory disease, the UK group clearly believes it can make more of Daliresp than Allergan and Takeda. The drug joins a stable of agents that, besides Symbicort, includes Pulmicort and Eklira.

Whether sales and marketing can boost sales enough to more than double Daliresp's value is an open question, however – a patent expiry just over four years away means that these divisions will not have long to succeed.

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