



DIVE BRIEF

Nestle gives up on peanut allergy treatment after sluggish sales

The food and beverage company has sold off the FDA-approved therapy Palforzia three years after acquiring it in a \$2.6 billion deal.

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Originally developed by the biotech Aimune, Palforzia works by gradually desensitizing people who are allergic to peanuts. Christopher Doering/BioPharma Dive

Dive Brief:

- Nestlé on Monday said it sold the peanut allergy treatment Palforzia to Swiss company Stallergenes Greer, abandoning the therapy three years after acquiring it in a \$2.6 billion deal.
- Developed by the biotechnology company Aimmune Therapeutics, Palforzia won Food and Drug Administration approval in 2020. The clearance spurred some debate as treatment led to allergic reactions in participants involved in its testing, but Nestlé saw a market opportunity and later that year bought the rest of Aimmune that it didn't already own.
- Palforzia never caught on, however, and sales remained slow. Late last year, Nestlé admitted it was reviewing options for the business and subsequently wrote down much of Aimmune's value.

Dive Insight:

Even before reaching market, Palforzia's development journey was rocky. Originally submitted for FDA review in 2019, the therapy's application was derailed by the partial shutdown of the federal government that year.

Approval, when granted, came with strings attached, as the FDA ordered Aimmune to sell Palforzia through a risk management program designed to protect people from inadvertent allergic reactions. Initial treatment had to occur in a healthcare setting, with epinephrine on hand.

But Nestlé, which had been investing in Aimmune since 2016, decided to build an allergy treatment business around Palforzia, and housed the treatment in a stand-alone unit.

Limited treatment adoption, hurt by the pandemic and complicated dosing, led to the 2022 strategic review and, in February, Nestlé revealed it had taken an impairment charge of 1.9 billion Swiss francs on Palforzia and Aimmune.

Stallergenes Greer, which specializes in allergy treatments, hopes to turn the product's fortunes around. "By entering the food allergy space, Stallergenes Greer becomes the first allergen immunotherapy company to offer both respiratory and food allergy treatments," said CEO Michele Antonelli, in a statement.

Under the deal, which closed on signing, Stallergenes Greer will make unspecified milestone and royalty payments to Nestlé. The companies didn't disclose whether any upfront cash is involved.