

LSST's Deputy CEO applauds Nestlé's value-added attention to peanut allergies



C  
o  
u  
r  
t  
e  
s  
y  
o  
f  
N  
e  
s  
t  
lé

lé

**L SST's Deputy CEO, Mr Mohammed Zaidi, has trumpeted Nestlé's totemic attention to peanut allergy prevention and for adjoining vision-to-value as it acquires Aimmune Therapeutics, the maker of pioneering peanut allergy treatments, in a \$2.6 billion deal.**

Nestlé estimates that 240 million people worldwide suffer from food allergies, with peanut allergy being the **most common**. Each year the number of allergy sufferers **increases by 5%** with half of all affected being children.

'Nestlé is patently taking power back from peanuts by adding a promising new dimension to its modus operandi,' said Mr Mohammed Zaidi, LSST's Deputy CEO. 'Those helping to reduce the frequency and severity of allergic reactions to peanuts in children and teenagers are to be highly commended in my view.'

'This transaction brings together Nestlé's nutritional science leadership with one of the most innovative companies in food allergy treatment,' added Nestlé's Health Science CEO Greg Behar referencing the Aimmune acquisition. 'Together, we will be able to create a world leader in food allergy prevention and treatment and offer a wide range of solutions that can transform the lives of people around the world living with food allergies.'

### **Peanut pill pathway**

The acquisition will add to Nestlé's portfolio, Palforzia – the first **FDA approved** treatment to reduce the frequency and severity of allergic reactions to peanuts in children and teenagers.

'Food allergies disrupt daily life and can be life-threatening,' asserted LSST's SU President, Irina Barariu. 'The acquisition is a solid move for Nestlé to share its vast health expertise to assist with attenuating the severity of peanut allergies.'

Palforzia offers a long sought-after solution for peanut-allergic patients other than avoidance and, although not a cure, can protect patients from a life-threatening reaction if

accidentally exposed to peanuts.

LSST learns from Nestlé that Palforzia is derived from peanut powder and works by exposing patients to increased doses mixed with other foods.



L  
S  
S  
T  
M  
a  
r  
k  
e  
t  
i  
n  
g  
/

Tom Hermans

‘The recent rise in food allergies has been a great public health concern. Peanuts are identified as one of the eight most common allergens,’ said Dr Maryam Idris-Usman, a LSST Birmingham Campus Health and Social Care Lecturer and pharmacologist whose son has a severe peanut allergy. ‘The advantage of Palforzia is that trials have shown that it reduces the frequency and severity of an allergic reaction to peanut exposure (Vickery et al., 2018). The obvious pitfall is that it is not a cure and could give sufferers a false sense of security – especially in teens.’

### Looking ahead

Aimmune has an attractive pipeline and is also working on solutions for multi-tree nut and egg allergies. Subsequently, shares of Aimmune skyrocketed **171.6%** following Nestlé’s announcement of the acquisition that will be accretive to its organic growth in 2021 and cash earnings by 2022/23.

Dr Mohamad Hassan, LSST’s Partnerships Manager and an author in **finance management**, said: ‘The valuation of \$34.50 per share is fair when looking at the value of the company from the YTD (Year-to-date) lens. Although the value fluctuated several times within the last year and reached a low of \$11.5 on 16 March 2020, most probably due to the COVID-19 pandemic and the focus of resources and investment strategies on COVID-19, the value healthily ranged \$39 per share during January 2020. It will be interesting to monitor this during the impending European launch of Palforzia.’

Mr Syed Zaidi, LSST’s CEO, concluded: ‘The devastating effects of the COVID-19 pandemic on pan-business and financial conditions afford for a thoughtful, measured, responsible and flexible approach. Irrefutably, Nestlé must – and, I am sure, will – remain confident in its prospects and steadfast in its mission to improve the lives of people with food allergies.’

Editor's note: Opinions and quotes belong to, and represent, respective contributors and not LSST.

**Read more:**

Nestlé Health Science - [www.nestlehealthscience.com](http://www.nestlehealthscience.com)

Preceding LSST and Nestlé news - [www.lsst.ac/news/nestle-ruby-chocolate/](http://www.lsst.ac/news/nestle-ruby-chocolate/)

Nestlé careers - [www.nestle.co.uk/en-gb/careers](http://www.nestle.co.uk/en-gb/careers)

Please contact [kunal.mehta@lsst.ac](mailto:kunal.mehta@lsst.ac) for any questions or comments or to be put in touch with the above academic experts.