

Peanut Blog

An ounce of information



Nestle Takes \$2.1 Billion Writedown on Peanut Allergy Therapy

Nestle SA has taken an impairment charge of 1.9 billion Swiss francs (\$2.1 billion) on an investment in a peanut allergy medication

- Company put Palforzia therapy on sale two years after purchase
- Writedown amounts to the bulk of \$2.6 billion investment

Nestle SA has taken an impairment charge of 1.9 billion Swiss francs (\$2.1 billion) on an investment in a peanut allergy medication, effectively writing down the bulk of its value.

The \$2.6 billion purchase of the maker of Palforzia was one of Mark Schneider's biggest forays into health since he became chief executive officer in 2017. Schneider launched a strategic review of the therapy in November, admitting that its uptake hadn't been sufficient and withering hopes for a potential blockbuster.

The treatment involves dosing children with very precisely measured peanut powder to gradually build their tolerance over time. The drug has so far not proved popular because of the time commitment involved in taking it, the cost and the threat of allergic reactions. That will make it more difficult to sell.

Source: <https://www.bloomberg.com/news/articles/2023-02-16/nestle-takes-2-1-billion-writedown-on-peanut-allergy-therapy?leadSource=uverify%20wall>