

Amgen 4Q profit drops 16 pct. on higher spending

January 23 2013, by Linda A. Johnson

Drugmaker Amgen Inc. on Wednesday posted a 16 percent drop in fourth-quarter profit, as higher costs for production, marketing, research and other items offset higher sales for many of its biologic medicines. The results fell short of Wall Street expectations.

The world's biggest biotech company, based in Thousand Oaks, California, said net income was \$788 million, or \$1.01 per share, for the three months ended Dec. 31. That was down from \$934 million, or \$1.08 per share, a year earlier.

Excluding one-time items, net income would have been \$1.40 per share. That's 4 cents less than analysts expected, on average, according to research provider FactSet.

In after-hours trading, Amgen shares fell 21 cents to \$82.86. They had fallen 22 cents in the regular session before the results were released.

The maker of anemia treatments [Aranesp](#) and Epogen said revenue rose 11 percent to \$4.42 billion. Analysts predicted sales of \$4.37 billion.

Sales were led by [immune disorder](#) treatment Enbrel, up 23 percent from the 2011 quarter to \$1.16 billion, and Neulasta and Neupogen for fighting infection in cancer patients. They had a combined \$1.31 billion in sales, down 1 percent.

Sales of Aranesp and [Epogen](#) fell 9 percent and 1 percent, respectively,

to a combined \$968 million.

Several newer drugs had double-digit jumps in revenue, including Prolia for osteoporosis, Xgeva for preventing fractures in cancerous bones and Sensipar for excessive [calcium levels](#) and a thyroid disorder.

"We enter 2013 with good momentum, a broad late-stage pipeline and a continued focus on building our business internationally," Amgen CEO Robert A. Bradway said in a statement.

The company expects 2013 earnings per share of \$6.85 to \$7.15. That's above the average prediction of analysts for \$7 per share.

Amgen predicted 2013 revenue will fall between \$17.8 billion to \$18.2 billion, compared with Wall Street's forecast for sales of \$17.75 billion.

[Amgen](#) noted its free cash flow rose to \$5.2 billion for 2012, from \$4.5 billion in 2011.

For the full year, net income was \$4.35 billion, or \$5.52 per share. That was up from \$3.68 billion, or \$4.04 per share, in 2011. The 2012 per-share results got a significant boost from a sharp reduction in the number of outstanding shares.

Revenue rose 11 percent in 2012, to \$17.27 billion from \$15.58 billion.

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