

Merck Q4 net profit more than doubles

March 7 2013, by David Mchugh

Merck KGaA saw its profit more than double in the fourth quarter as the German pharmaceutical company benefited from higher prices for its Rebif multiple sclerosis drug and reaped rewards from its ongoing restructuring.

The Darmstadt-based company said Thursday that its [net profit](#) rose to €272 million (\$355 million), from €133 million in the same quarter the year before. Revenues rose 8 percent to €2.83 billion.

[Merck](#) was able to charge more for Rebif in the United States. For the full year, Rebif sales increased 7.5 percent to €1.89 billion. That offset slower sales growth for its [Erbix](#) cancer drug.

The company benefited from leaving unprofitable lines of business and regions in its consumer health division, which overall saw lower sales but higher profits as the company focused its efforts and investments on more lucrative products and regions. It outsourced the manufacturing and packaging of its Seven Seas brand [cod liver oil](#) products in Britain, for instance.

Earnings also received a boost from its business in liquid crystal materials used in flat panel displays. The performance materials division, where the liquid crystal business provides the bulk of sales, saw revenues grow 21 percent in the fourth quarter. The division's numbers were boosted 7 percent for all of last year due to the dollar's stronger exchange rate with the euro, which magnifies euro earnings figures. The division gets the bulk of its sales in dollars.

For the full-year, profits decreased 7 percent to €567 million as the company took €504 million in non-repeating restructuring charges. Revenues rose 9 percent to €11.17 billion.

The company raised its dividend by 13 percent to €1.70 per share.

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Citation: Merck Q4 net profit more than doubles (2013, March 7) retrieved 5 May 2024 from <https://medicalxpress.com/news/2013-03-merck-q4-net-profit.html>

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