

Pfizer 2Q mixed, maintains 2013 outlook

July 30 2013

Pfizer's second-quarter net income more than quadrupled, helped by the sale of its animal health business. The world's second-largest drugmaker beat Wall Street's earnings expectations, though revenue continued to decline as patents expire on drugs that had once been blockbusters for the company.

When drug patents expire, cheaper [generic versions](#) flood the market, and most patients quickly switch to them.

The biggest impact for Pfizer has been on its cholesterol fighter Lipitor, which was the world's best-selling drug for nearly a decade until it lost exclusivity in the U.S. in 2011 and in much of Europe last year. Revenue from Lipitor, which once brought in about \$13 billion a year, dropped 55 percent to \$484 million in the second quarter.

Pfizer, which makes Viagra, along with the pain medicines Lyrica and Celebrex, earned \$14.1 billion, or \$1.98 per share. That compares with \$3.25 billion, or 43 cents per share, a year earlier.

Amid declining revenue, Pfizer has been working to sell off non-core businesses and focus on [prescription medicines](#), particularly for disorders that lack exceptional treatments.

The company's jump in second-quarter profit came largely from the spin-off of its animal drug business Zoetis. The company also benefited from a \$1.4 billion patent settlement with two companies that sold generic versions of its popular heartburn treatment Protonix while they were

challenging its patent, which hadn't yet expired. Under the settlement, the [generic drugmakers](#) will pay Pfizer and its partner in marketing Protonix, Japan's Takeda Pharmaceutical, \$2.15 billion, with Pfizer getting 64 percent of that.

Excluding the one-time gain from the sale of its remaining 80 percent stake in Zoetis Inc. and the patent settlement, earnings were 56 cents per share, a penny better than Wall Street had expected.

Pfizer Inc. has already divested its nutrition and capsule-making businesses and on Monday, announced the reorganization of its commercial operations into three divisions.

One of those divisions will be devoted to products that are losing patent protection. Another will handle drugs with years of patent protection remaining. The third that will sell vaccines, cancer treatments, and consumer products.

The company said overall revenue fell 7 percent to \$12.97 billion, which is just short of the \$13.21 billion analysts polled by FactSet had predicted.

Revenue from Prevnar 13, a vaccine for ear infections, meningitis and other pneumococcal infections, fell 3 percent to \$969 million. Prevnar is the biggest-selling vaccine in history, with nearly \$4 billion in yearly revenue.

The bright spots during the quarter was revenue from sales of Lyrica, for fibromyalgia and other pain, which grew 10 percent to \$1.13 billion, and anti-inflammatory pain reliever Celebrex, up 8 percent at \$715 million.

Sales of Viagra were nearly flat at \$484 million despite a precedent-setting move in May to start selling impotence drug Viagra online to

counteract the massive amount of counterfeiting of the pill on the Internet.

The New York company maintained its full-year adjusted earnings outlook of \$2.10 to \$2.20 per share. Analysts forecast \$2.16 per share.

© 2013 The Associated Press. All rights reserved.

Citation: Pfizer 2Q mixed, maintains 2013 outlook (2013, July 30) retrieved 18 April 2024 from <https://medicalxpress.com/news/2013-07-pfizer-2q-outlook.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.