

Pfizer's 4Q net plunges on charges, sales decline

January 28 2014, by Linda A. Johnson



In this Jan. 30, 2012 file photo, boxes of the drug Relpax, made by Pfizer, are displayed in Surfside, Fla. Pfizer reports quarterly results before the market open on Tuesday, Jan. 28, 2014. (AP Photo/Wilfredo Lee, File)

Drugmaker Pfizer said Tuesday that fourth-quarter profit plunged 59 percent because of discontinued operations, restructuring and other charges, and generic competition continuing to siphon off revenue from former blockbuster medicines.

Despite a 3 percent revenue decline caused by those pressures and unfavorable currency exchange rates, Pfizer easily topped Wall Street's modest expectations.

Pfizer's stock rose 59 cents, or 2 percent, to \$30.25 in premarket trading.

The world's second-biggest drugmaker said [net income](#) was \$2.57 billion, or 39 cents per share, down from \$6.32 billion, or 85 cents per share, a year earlier.

Excluding one-time items, the maker of Viagra, arthritis [drug](#) Xeljanz and pneumonia vaccine Prevnar said net income would have been \$3.69 billion, or 56 cents per share. That topped analyst expectations of 52 cents per share.

Revenue totaled \$ 13.56 billion, down 2 percent. Analysts expected \$13.36 billion.

Sales of primary care drugs fell 10 percent to \$3.44 billion, mainly because of generic competition for Viagra in Europe and for the cholesterol fighter Lipitor.

Lipitor, the world's top-selling drug for nearly a decade until it got U.S. generic competition two years ago, now faces cheaper copycats in Europe and Australia as well. Those smaller revenues have been shifted to the company's established products unit, which saw sales edge up 2 percent to \$2.42 billion.

Pfizer's specialty care division posted a 7 percent drop in sales to \$3.4 billion, because of [generic competition](#) in foreign countries for schizophrenia treatment Geodon and blood pressure drug Revatio. Pfizer also received lower royalties from immune disorder drug Enbrel as a co-promotion deal for that winds down.

Consumer health care revenue edged up 1 percent to \$943 million. The bright spot was Pfizer's fledgling cancer drug business, which posted a 26 percent jump to \$468 million.

The New York-based drugmaker forecast 2014 profit of \$1.57 to \$1.72 per share, or \$2.20 to \$2.30 excluding one-time items.

"We enter 2014 with confidence in the competitive positioning of our commercial businesses, the prospects for our recently launched products and the strength of our research pipeline," CEO Ian Read said in a statement.

He noted Pfizer will be reporting on midstage research results this year for experimental drugs for advanced breast cancer, high cholesterol and, for Xeljanz, testing against another immune disorder, psoriasis.

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