

Amgen misses 1Q views as higher costs cut profit

April 22 2014, by Linda A. Johnson



This April 20, 2010 file photo, shows the exterior view of Amgen Inc. in Fremont, Calif. Amgen reports quarterly earnings on Tuesday, April 22, 2014. (AP Photo/Paul Sakuma, File)

Despite higher sales, biotech drugmaker Amgen's first-quarter profit fell 25 percent as production and research costs rose sharply, while the year-ago quarter enjoyed a tax benefit. The company badly missed Wall

Street's expectations for both earnings per share and revenue, sending down its shares.

The maker of injected osteoporosis treatment Prolia said Tuesday that net income was \$1.07 billion or \$1.40 per [share](#), down from \$1.43 billion, or \$1.88 per share, in 2013's first quarter.

Excluding one-time items, income would have been \$1.44 billion, or \$1.87 per share. Analysts expected \$1.94.

Revenue totaled \$4.52 billion, up 7 percent. Analysts were expecting \$4.76 billion.

Sales were led by Neulasta and Neupogen for boosting infection-fighting white blood cells, up about 3 percent to a combined \$1.38 billion. Sales of immune disorder drug Enbrel, Amgen's No. 2 seller, fell 5 percent to \$988 million.

Sales of six other medicines were up at least slightly, led by a 38 percent jump in Prolia sales to \$196 million. Prolia is touted in TV ads by actress Blythe Danner.

The [company](#), based in Thousand Oaks, California, noted that the 17 percent increase in research and development spending, to \$1.03 billion in the quarter, was mainly due to expenses to continue the research programs of Onyx Pharmaceuticals, the cancer drug company it acquired last October.

"Strong underlying demand for our products and growth in adjusted operating income make us confident in our full-year growth outlook," CEO Robert Bradway said in a statement, adding, "We continue to advance our robust late-stage pipeline."

The company reiterated its 2014 financial forecasts, for adjusted earnings per share of \$7.90 to \$8.20 and revenue of \$19.2 billion to \$19.6 billion. Analysts surveyed by FactSet expect earnings per share of \$8.15 on revenue of \$19.62 billion.

In after-hours trading, Amgen shares slipped \$3.25, or 2.7 percent, to \$116.05.

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