

Valeant Pharma expects 3Q revenue to top forecasts

September 24 2014, by The Associated Press

Shares of Valeant Pharmaceuticals International Inc. climbed Wednesday after the Canadian drugmaker said it expects market share gains in most of its businesses and that its third-quarter revenue will top forecasts.

The drugmaker also said it expects 10 percent growth from the established business of its contact lens maker Bausch + Lomb, a target of criticism in Valeant's on-going [takeover](#) battle with Botox-maker Allergan Inc.

Allergan has rebuffed several takeover bids from Valeant over the past few months, the latest amounting to about \$53 billion. But it has agreed to hold a special shareholder meeting on Dec. 18, at which its shareholders will be given the opportunity to vote out most of its directors.

That could give Valeant and activist investor Bill Ackman's Pershing Square Capital Management LP, which has built a large stake in Allergan, a chance at a takeover. Beyond control of the board, there also will be a vote on whether Allergan should even talk to Valeant and Pershing Square

The companies have traded barbs throughout the takeover battle, and Valeant has said that Allergan has made misleading statements about Valeant's businesses, including Bausch + Lomb, which Valeant acquired last year.

Allergan, based in Irvine, California, has repeatedly called Valeant's takeover offer "grossly inadequate" and questioned Valeant's business model and the cuts it would make to Allergan's business.

On Wednesday, Valeant Chairman and CEO J. Michael Pearson told his Allergan counterpart, David Pyott, that Valeant expects its revenue to top expectations in the third quarter. It will report results on Oct. 20.

Pearson didn't offer a specific forecast, but the data firm FactSet says analysts, on average, expect revenue of \$2.05 billion.

Pearson told Pyott that he seems "intent on avoiding constructive engagement at all costs" with Valeant about a possible deal.

"We remain convinced that your shareholders will support a combination of our two companies and that such a combination will create far more value than any alternative transaction or (stand-alone) plan," he wrote.

Allergan spokeswoman Bonnie Jacobs declined to comment on Valeant's latest projections and comments when contacted by The Associated Press.

U.S.-traded shares of Valeant climbed about 6.6 percent, or \$7.61, to \$123.56 in midday trading, while the Standard & Poor's 500 index rose slightly. Meanwhile, Allergan rose 3.9 percent, or \$6.61, to \$175.79.

© 2014 The Associated Press. All rights reserved.

Citation: Valeant Pharma expects 3Q revenue to top forecasts (2014, September 24) retrieved 27 April 2024 from <https://medicalxpress.com/news/2014-09-valeant-pharma-3q-revenue.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.