

# Amgen tops Street 4Q forecasts

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This Nov. 9, 2014 file photo shows signage at the entrance to Amgen offices in Thousand Oaks, Calif. Amgen reports quarterly financial results on Tuesday, Jan. 27, 2015. (AP Photo/Mark J. Terrill, File)

Amgen Inc. cruised to a 27 percent jump in fourth-quarter profit and beat Wall Street expectations, due to higher sales of nearly all its medicines, tight cost controls and a tax benefit.

The world's biggest biotech drugmaker by revenue said it's starting a cycle of several important new product launches—big enough that last

year it announced major job reductions and other cost cuts to free up money for the launches.

The company also reaffirmed its October forecast for 2015 profit, for revenue of \$20.8 billion to \$21.3 billion and adjusted earnings per share of \$9.05 to \$9.40—in line with analysts' forecasts.

Amgen, based in Thousand Oaks, California, on Tuesday reported net income of \$1.3 billion, or \$1.68 per share, up from \$1.02 billion, or \$1.33 per share, a year earlier. The bottom line was boosted by Congress renewing an industry research tax credit at year's end, retroactive for all of 2014.

The maker of injected osteoporosis medicine Prolia said that excluding one-time items, adjusted profit was \$1.67 billion, or \$2.16 per share. Analysts surveyed by FactSet expected \$2.05, on average.

Revenue totaled \$5.33 billion, up 6 percent. Analysts expected \$5.2 billion.

Five of Amgen's medicines posted double-digit sales increases.

Enbrel for rheumatoid arthritis and other immune disorders saw sales jump 11 percent to \$1.34 billion. The Neulasta and Neupogen franchise, for boosting low levels of infection-fighting white blood cells caused by cancer and other disorders, posted combined sales of \$1.45 billion.

Amgen just got approval for a new way to administer the drug—through a skin-patch device that injects the medicine automatically the day after a chemotherapy infusion. That spares weak patients undergoing chemotherapy, particularly those in rural areas, follow-up treks to the doctor or hospital to get a Neulasta injection the next day, or, worse yet, the 11 daily injections of the older Neupogen that are needed after each

chemo round.

In December, the company got U.S. approval and then launched an infusible drug called Blincyto, for patients with a rare blood cancer in which bone marrow makes defective white blood cells: B-cell acute lymphoblastic leukemia with a genetic abnormality. Blincyto is part of a new drug class that harnesses the body's immune system to fight cancer.

Amgen has some other, experimental drugs likely to get approved and launched later in 2015. Those include Corlanor for chronic heart failure, Repatha for lowering cholesterol and, for advanced melanoma, talimogene paherparepvec, which needs a pronounceable brand name.

Also Tuesday, Amgen applied for European approval and full U.S. approval of Kyprolis, a medicine for relapsed patients with the bone cancer multiple myeloma. The drug won accelerated approval in 2012 in the U.S., for patients who had failed after treatment with at least two multiple myeloma drugs. Additional study data, since provided, was needed for broader approval allowing treatment of more patients.

"Overall, this was a solid quarter for the company," Edward Jones analyst Ashtyn Evans wrote to investors. But she noted the increase in Enbrel sales was mainly due to price increases, and during the fourth quarter, "Amgen had negative trial results for an ovarian cancer drug and discontinued development for another cancer product."

Evans also warned that "most of Amgen's sales come from a small group of biologic drugs that could begin to face competition in the next few years," including the first biosimilar version of a biologic drug ever approved in the U.S.—a near-copy of Amgen's Neupogen.

Meanwhile, Amgen is one of several companies developing biosimilar versions of rivals' medicines, with nine different ones in patient testing.

In trading Tuesday, Amgen shares declined 84 cents to \$158.89.

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