

AbbVie raises outlook as Humira again delivers earnings beat

April 23 2015, byMatthew Perrone



This Saturday, Jan. 24, 2015 photo shows the exterior of Abbvie, in Lake Bluff, Ill. AbbVie Inc. on Thursday, April 23, 2015 reported first-quarter net income of \$1.02 billion. On a per-share basis, the North Chicago, Illinois-based company said it had net income of 63 cents. Earnings, adjusted for severance costs and non-recurring costs, were 94 cents per share. (AP Photo/Nam Y. Huh)

Drugmaker AbbVie is raising its full-year earnings guidance after reporting better-than-expected first quarter adjusted results on continued growth of its blockbuster anti-inflammatory drug Humira.

However, U.S. sales of the company's recently approved hepatitis C pill came in below expectations, underscoring concerns that the company is too reliant on Humira.

Sales of Humira, which is the world's top-selling prescription [drug](#), increased 18 percent to \$3.1 billion. Humira is approved to treat more than a dozen conditions including rheumatoid arthritis, psoriasis and Crohn's Disease. But it will start losing patent protection next year and could eventually face competition from Amgen Inc., which is developing a biosimilar version of the drug.

That has focused attention on other AbbVie drugs with [blockbuster](#) potential, including Viekira Pak, a new hepatitis C medication approved in the U.S. in December. Company executives have predicted Viekira could reach annual sales of \$3 billion by the end of 2015 with further growth in 2016 as the drug expands into new countries.

But U.S. sales of \$138 million in the first quarter came in below expectations of \$215 million, on average, according to survey figures cited by analyst Robyn Karnauskas of Deutsche Bank.

Viekira posted global sales of \$231 million for the quarter ended in March. Credit Suisse analyst Vamil Divan questioned "if the company still feels comfortable with their previous guidance that the product" will achieve \$3 billion in sales this year, in a note to investors.

AbbVie's drug is competing against other hepatitis C drugs already established among physicians, namely Gilead Sciences' Sovaldi and Harvoni. All three treatments are considered major improvements from earlier drug options, but they have also faced criticism for their high costs. The list price for AbbVie's drug is \$83,320, compared with a list price of \$84,000 for Sovaldi and \$94,000 for Harvoni.

The North Chicago-based company's quarterly results were weighed down by a \$1.9 billion in one-time costs, including a breakup fee from its abandoned merger with Shire PLC. That left it with earnings of \$1.02 billion, or 63 cents per share, for the first quarter.

Adjusted earnings were 94 cents per share on revenue of 5.04 billion, beating analyst estimates of 85 cents per share on revenue of \$5.01 billion.

The company raised its full-year earnings to \$4.10 to \$4.30, from \$4.05 to \$4.25.

Shares of AbbVie Inc. fell \$1.35, or 2.1 percent, to \$63.17 in morning trading.

Following the break-up of its planned trans-Atlantic merger with Shire, AbbVie has pushed ahead with other efforts to diversify its offerings. Last month the company announced an agreement to buy fellow U.S. drugmaker Pharmacyclics for \$21 billion to add another blockbuster product to its portfolio.

The deal will give AbbVie rights to Imbruvica, a blood cancer treatment that Pharmacyclics makes and then markets with Johnson & Johnson's Janssen Biotech. AbbVie executives say their [company](#) could reap more than \$7 billion in annual [sales](#) from Imbruvica in a few years.

Imbruvica is approved in more than 40 countries and treats three different types of blood cancers including chronic lymphocytic leukemia, which is the most common leukemia in adults.

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