

Pfizer sees Covid-19 drug sales topping \$50 bn in 2022

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Pfizer reported 2021 annual profits more than doubled to \$22 billion on strong sales of Covid-19 vaccines.

Pfizer forecast more than \$50 billion in 2022 sales for its Covid-19 vaccine and therapeutic on Tuesday as the pharmaceutical giant reported

a more than doubling of annual profits on strong sales of its inoculation.

Pfizer, whose vaccine developed with German company BioNTech was the first approved in the United States to counter the deadly virus, sees slightly lower 2022 revenues for the vaccine compared with the just-finished year, but a big infusion of revenues from Paxlovid, the company's pill for Covid-19.

Chief Executive Albert Bourla described 2021 as a "watershed year" for Pfizer, adding that the company's efforts in the pandemic "have fundamentally changed our company forever."

Still, shares fell Tuesday following the results, which lagged estimates in terms of fourth-quarter revenues.

Besides vaccines, sales were mixed across Pfizer's other divisions. Revenues dipped for internal medicine and inflammation and immunology, but rose for oncology, hospitals and rare disease.

Analysts have also projected higher 2022 profits compared with the company's forecasts.

Heavy interest in therapeutic

Pfizer reported annual profits of \$22 billion, more than double the 2020 level. Annual revenues nearly doubled to \$81.3 billion, with \$36.8 billion from the Covid-19 vaccine.

The company projected 2022 revenues of between \$98 and \$102 billion.

The results are the latest to show how the coronavirus has transformed Pfizer, which a year ago had projected just \$15 billion in Covid-19 vaccines sales in 2021 and ended up selling more than twice that amount

after repeatedly lifting the forecast.

For 2022, Pfizer expects \$32 billion in revenue from Covid-19 vaccines and \$22 billion in revenues from Paxlovid.

Bourla said the company is currently working on a new vaccine candidate based on the Omicron variant of Covid-19, as well as a new "potential next-generation oral Covid-19 treatment."

The company expects to produce 120 million treatment courses for Paxlovid, with six million in the first quarter and 30 million the first half of 2022.

Pfizer executives described heavy interest in Paxlovid, with ongoing contract talks with about 100 governments around the world. The treatment has so far been approved in about 40 countries.

Bourla said the sales for Paxlovid "could be way bigger" than current forecasts. The 2022 estimate of \$22 billion is based on signed contracts and negotiations where there is essentially an agreement, he said.

However, Chief Financial Officer Frank D'Amelio cautioned that there was "less potential upside" to 2022 estimates for Covid-19 vaccine revenues, compared with 2021 "when the vaccine was newly available and few people had received any doses of the vaccine."

Morningstar's Damien Conover estimated that Covid-19-related products will account for \$60 billion in revenues in 2022, but fall to close to \$5 billion by 2025.

"We expect increased near-term utilization of Covid vaccines will reduce the demand for these vaccines and treatments over the long term," Conover said in a note. "We view Pfizer as slightly overvalued,

with the market likely extrapolating strong Covid vaccine and treatment sales too far into the future."

Bourla said the company's scientists "continue to monitor the Covid-19 virus and believe it is unlikely that it will be fully eradicated in the foreseeable future."

"That said, we now have the tools—in the forms of vaccines and treatments—that we believe will help enable us to not only better manage the pandemic but also help countries move into the endemic phase," he said.

Shares fell 2.8 percent to \$51.70.

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