

AstraZeneca profits soar on cancer drugs, Alexion buy

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Anglo-Swedish drugmaker AstraZeneca on Thursday posted surging annual net profit, boosted by cancer treatments and the integration of biotech unit Alexion following a blockbuster takeover.

Profit after tax rocketed to \$3.3 billion (3.1 billion euros) last year from just \$112 million in 2021 on costs linked to the Alexion purchase, AstraZeneca said in a results statement.

AstraZeneca, which completed the takeover at a cost of \$39 billion in 2021, saw revenues soar almost one fifth to \$44.4 billion last year.

This was thanks to a strong contribution from cancer treatments that offset sliding fourth-quarter sales of its COVID vaccine.

AstraZeneca forecast COVID-19 medicine sales to decline "significantly" in 2023, with "minimal revenue" from its jab Vaxzevria.

"2022 was a year of continued strong company performance and execution of our long-term growth strategy," group chief executive Pascal Soriot said in the statement.

"In 2023, we expect to see another year of double-digit revenue growth, excluding our COVID-19 medicines."

The group forecast that total revenues would climb between one and five percent this year.

Soriot added that AstraZeneca was on a path to deliver "at least fifteen new medicines" before the end of this decade.

"The pharma giant has a strong pipeline ahead with a record 34 approvals in 2022 and plans to initiate more than thirty phase III (final) trials this year," noted Victoria Scholar, head of investment at Interactive Investor.

Investors welcomed the company's earnings update, with its share price rallying five percent to £11.27 in London.

"As a defensive play, shares look relatively well positioned to navigate the challenging macroeconomic backdrop of lingering inflation and sluggish growth," Scholar added.

"The stock has logged a strong performance over the last year, up by over 30 percent."

Drugs beyond COVID

Since taking the helm at AstraZeneca in 2012, Soriot has pushed the company into lucrative cancer therapies, while Alexion gives it more heft in treating blood disorders.

AstraZeneca rapidly developed a successful COVID-19 jab during the deadly coronavirus pandemic that erupted in the first half of 2020.

Vaxzevria—developed alongside University of Oxford—was initially offered at cost but Astra decided in late 2021 to sell it for profit.

Sales of the vaccine have since collapsed as restrictions are fully lifted worldwide.

Last month, AstraZeneca agreed to buy US biotech company CinCor for \$1.8 billion, expanding further into the field of heart and kidney drugs.

"The pipeline is strong and stretches well beyond COVID," Susannah Streeter, senior investment and markets analyst at Hargreaves Lansdown, said following the results.

"This is giving... Soriot confidence that Astra is on a path to deliver at least fifteen new medicines before the end of the decade."

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