

Swiss pharma Novartis ups full-year sales outlook (Update)

October 22 2013, by John Heilprin



In this Jan. 11, 2011 file picture the headquarter of Swiss pharmaceutical company Novartis is photographed in Basel, Switzerland. Swiss pharmaceutical giant Novartis AG has posted a 6 percent drop in net profit in the third quarter, citing negative currency trends and other factors. The Basel, Switzerland-based company reported Tuesday Oct. 22, 2013 a net profit of US \$2.26 billion in the July-September quarter, down from last year's equivalent of \$2.42 billion, which was downwardly adjusted to conform to new reporting requirements. (AP Photo/Keystone,Gaetan Bally,File)

Swiss pharmaceutical giant Novartis AG raised its full-year sales outlook because of delays in generic competition to its blockbuster blood pressure drug Diovan, even though it said negative currency trends contributed to a 6 percent drop in its third-quarter net profit.

The Basel, Switzerland-based company said Tuesday that it made a net profit of \$2.26 billion in the July-September quarter, down from last year's equivalent of \$2.42 billion, which was downwardly adjusted to conform to new reporting requirements.

Novartis said a weaker yen and falls in emerging market currencies, along with expiring patents and royalty payments, affected its financial performance.

Even so, third-quarter sales rose 4 percent to \$14.3 billion and the company's share price shot up almost 2 percent to close at 69.25 Swiss francs in Thursday trading in Zurich.

Chief Executive Joseph Jimenez told reporters that sales among "all divisions performed well in the third quarter," and the company was contending with the loss of patent rights on Diovan, which expired in the United States last year. U.S. regulators have yet to approve the generic version from competitor Ranbaxy Laboratories, a delay that has helped the company.

"So we have competition on one of the two types of Diovan in the U.S., but not on the second," Jimenez said. "Even when you take that out, the pharma business grew nicely."

Because of that delay and what it called "strong growth products momentum" from new drugs in its pipeline, Novartis said it now expects group sales in 2013 to rise in the low- to mid-single digit range, if currencies stay unchanged.

"The strength of our pipeline positions us for very strong growth going forward," Jimenez said.

The company said it expects generic competition to cut into its sales by \$2.3 billion in 2013, which is more than \$1 billion less than the level it expected at the start of the year, "mostly due to the continued absence of generic competition for Diovan monotherapy in the U.S."

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